

Exhibit 2

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
MCALLEN DIVISION**

TEXAS BANKERS ASSOCIATION; RIO §
BANK, MCALLEN, TEXAS; AMERICAN §
BANKERS ASSOCIATION, §
§
Plaintiffs, §
v. § Case No: 7:23-cv-00144
§
CONSUMER FINANCIAL PROTECTION §
BUREAU and ROHIT CHOPRA, in his §
official capacity as Director of the §
Consumer Financial Protection Bureau, §
§
Defendants. §

DECLARATION OF JESSICA TSAI

1. My name is Jessica Tsai. I am over the age of eighteen (18) years, have never been convicted of a crime, and am otherwise competent to execute this Declaration. I am employed by Texas First Bank (“Texas First”) as its Chief Risk Officer. My job duties include overseeing and managing all aspects of deposit and lending banking compliance, conducting risk assessments, and reviewing and updating compliance policies and procedures. In performing my job duties on behalf of Texas First, I have studied and familiarized myself with the data collection, reporting, and other requirements that will be imposed on Texas First in complying with the Final Rule entitled *Small Business Lending Under the Equal Credit Opportunity Act (Regulation B)*, 88 Fed. Reg. 35,150 (May 31, 2023) (the “Final Rule”). I have gained personal

knowledge of the facts stated in this declaration in the course of performing my duties on behalf of Texas First.

2. Texas First is a Texas chartered bank with its headquarters in Galveston County, Texas. Founded in 1972, Texas First operates 27 banking centers in Southeast Texas and has approximately 250 employees. As a community bank, Texas First places value on giving back to the communities it serves.

3. Texas First is a member of the Independent Community Bankers of America (“ICBA”) and Independent Bankers Association of Texas (“IBAT”). Texas First is not a member of the American Bankers Association (“ABA”) or the Texas Bankers Association (“TBA”).

4. In 2021 and 2022, respectively, Texas First made approximately 1400 and 500 small business loans that were not trade credit loans, insurance premium financing, Home Mortgage Disclosure Act loans, reportable transactions, public utilities credits, securities credits, or incidental credits (“covered credit transactions”). Texas First estimates that, in 2023, it will engage in approximately 400 covered credit transactions. Those loans most often were and, in the future, will be the life blood for our small business customers, allowing them to expand their operations, add customers, hire employees, and promote the economic opportunities for the citizens in the counties in which Texas First does business.

5. Compliance with the data collection, reporting, and other requirements of the Final Rule will be onerous and expensive, and Texas First’s efforts to be able to comply with those requirements already have begun. To date, based on our analysis, Texas First estimates that it has incurred almost \$30,000 in preparing to comply with the Final Rule, including costs incurred for approximately 300 hours of employee, management, and senior management time.

6. Texas First further estimates that, in 2026, it will incur in excess of \$180,000 in costs complying with the Final Rule. Not included in that estimate are the potential costs of purchasing or licensing systems and software necessary for compliance. At this time, we do not have an estimate as to what those costs will be, but they likely will be substantial. Also not included in those costs are the additional compliance costs Texas First may incur to hire outside consultants, attorneys, and others to assist Texas First in complying with the Final Rule. Finally, Texas First anticipates that it likely will be required to hire at least one employee to handle the data collection and other requirements of the Final Rule.

7. The foregoing costs are significant to Texas First, and I understand that, in whole or in large part, they will not be recoverable. Moreover, the costs may impact the pricing and/or terms of Texas First's small business loans, possibly resulting in Texas First losing customers to other lenders, especially to those that are not required to comply with the Final Rule.

8. I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 14, 2023.



Jessica Tsai